

Illinois Medical Malpractice Reporting File 4

1. Maturity year and tail factors used in the most recent rate filing:

Dentist Professional Liability Program

The most recent rate filing for the Dental Professional Liability Program was in January 2003. The Dentists Professional Liability Program was written as a Risk Purchasing Group - The Dental Professional Purchasing Group is a nonprofit Illinois Corporation and is duly registered in Illinois. The policy will provide coverage for individual dentists, employed dentists, or group practices and includes coverage for the Entity.

Coverage is provided for professional services on a claims made and reported basis. The limits of liability are on a per dental incident and annual aggregate basis. At the request of the Named Insured, the Entity can share in the dentist's limits for an additional premium. Limit options range from \$200,000 per dental incident/\$600,000 annual aggregate up to \$3,000,000 per dental incident/\$3,000,000 annual aggregate.

This is an initial filing so our rates were adapted from rates previously filed by other carriers providing similar coverages. Since this was a new program, we relied upon industry data for comparative information purposes.

DENTIST PROFESSIONAL LIABILITY PROGRAM
CLAIMS MADE COMPANY EXCEPTION PAGE
N-DT-R-IL-1 06/02

The following rates shall apply to the Dentist Professional Liability Program - Claims Made:

Basic Limits - \$100,000 Each Claim/\$300,000 Annual Aggregate

Territory 1 –Cook County.

Class 1 Class 1A Class 2 Class 2A

\$1,850 \$1,665 \$3,601 \$3,750

Territory 2 – Remainder of State.

Class 1 Class 1A Class 2 Class 2A

\$903 \$813 \$1,201 \$1,255

The maximum debit/credit allowed is +/-40%.

Extended Reporting Period is deleted and replaced with the following:

A dentist who is insured on a claims-made policy may elect to buy the Tail per the policy provisions. There will be no additional charge for Extended Reporting Coverage in the event of the insured's death or disability.

There will be no additional charge for Extended Reporting Coverage if the insured retires from dentistry after being insured with the company for the last 5 consecutive years prior to retirement.

Anesthesiologists Professional Liability Program

The most recent rate filing was in March 2000. The extended reporting period options (limits do not reinstate): To obtain the unlimited extended reporting period, apply the following multipliers to the insured's mature claims-made rate in effect on the date of termination of coverage.

Years in Program	Multiplier
1	1.55
2	1.35
3	1.15
4	1.00
5 or More	0.85

Waiver of Tail Premium: Tail premium is waived on the claims made policy if one of the following occurs:

- A. Insured dies
- B. Insured is continuously and permanently disabled and therefore can't perform duties as an Anesthesiologist.
- C. Insured has been insured by us for 6 continuous years and actually retires from the practice of medicine permanently.

Any insured who has prefunded the tail coverage and any of the above occurs before the tail is fully paid, they will receive a refund of any premium paid towards the tail.

Prefunded tail: Prefunded tail can be purchased along with the claims made coverage. Options include: 1. This tail can be paid in full, up front and the Anesthesiologist will receive a 15% discount. 2. It can be paid over a 5 year period or 10 year period. If paid over a 10 year period there is a 20% surcharge.

Factors for a prefunded tail: Five Year - .32 of the mature claims made rate per year.
Ten Year - .16 of the mature claims made rate per year.

Rates: Manual rates apply on a per person and per annum basis per the state and territory in which the Anesthesiologist works. Refer to the state rate pages and the territory rate pages and the territory definitions to find the appropriate premium.

2. Our reserve and payment practices have not changed substantively over the last ten years.

3. A claim is considered closed when both indemnity and LAE reserves are closed. There have been no changes to this definition in the past ten years.

4. There are no corporate policies written by the company.

5. Base class and territory:

The following rates shall apply to the Dentist Professional Liability Program - Claims Made:

Basic Limits - \$100,000 Each Claim/\$300,000 Annual Aggregate

Territory 1 –Cook County.

Class 1 Class 1A Class 2 Class 2A

\$1,850 \$1,665 \$3,601 \$3,750

Territory 2 – Remainder of State.

Class 1 Class 1A Class 2 Class 2A

\$903 \$813 \$1,201 \$1,255

The maximum debit/credit allowed is +/-40%.

The following rates shall apply to the Anesthesiologists Professional Liability Programs –
Claims Made:

Rate	Territory
\$9,576	A
\$7,536	B
\$5,002	C
\$9,292	D

Territorial Definitions:

- A. Cook, Madison, and St. Clair Counties
- B. Champaign, Will, Sangamon, and McHenry Counties
- C. Remainder of State
- D. Du Page, Kane, Lake, and Vermillion Counties

The following rates shall apply to the Anesthesiologists Professional Liability Programs –
Occurrence:

Rate	Territory
\$10,629	A
\$ 8,365	B
\$ 5,552	C
\$10,314	D

Territorial Definitions:

- A. Cook, Madison, and St. Clair Counties
- B. Champaign, Will, Sangamon, and McHenry Counties
- C. Remainder of State
- D. Du Page, Kane, Lake, and Vermillion Counties

6. Adjustments made to exposures for extended reporting endorsements and the impact:

Extended Reporting Period is deleted and replaced with the following:

A dentist who is insured on a claims-made policy may elect to buy the Tail per the policy provisions. There will be no additional charge for Extended Reporting Coverage in the event of the insured's death or disability.

There will be no additional charge for Extended Reporting Coverage if the insured retires from dentistry after being insured with the company for the last 5 consecutive years prior to retirement.

7. This was an initial filing so our rates we adapted from rates previously filed by other carriers providing similar coverages. Since this was a new program, we relied upon industry data for comparative information purposes.

8. As indicated above, this was an initial filing and our rates were adapted from rates previously filed by other carriers providing similar coverages.

9. The filing contained rates that were adapted from rates previously filed by other carriers providing similar coverages.

10. methods/assumptions in the Reserve Study

Exhibit 2B

1. National Casualty Insurance Company is part of the Nationwide Mutual Insurance Company pooled agreement. 100% of premiums, reserves, losses and operating activities are ceded to the pool. Therefore, the net results are zero. Management believes that National Casualty's surplus as regards policyholders is more than adequate in relation to its outstanding liabilities. National Casualty has adequate surplus to continue normal operations despite unfavorable economic conditions and a downturn in the underwriting cycle.
2. National Casualty's surplus has held fairly constant from 2002-2007. 2008 saw the impact of a soft market and change in economic conditions. National Casualty is mitigating these factors by reviewing its overall pricing structure, mix of business by state, expense levels and utilization of reinsurance.